

FISCAL NOTE

Bill #: SB0255

Title: Provide full ANB for schools offering full-time kindergarten

Primary Sponsor: Don Ryan

Status: As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
Expenditures:		
General Fund	\$2,898,515	\$5,813,029
Net Impact on General Fund Balance:	(\$2,898,515)	(\$5,813,029)

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
X		Significant Local Gov. Impact	X		Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached	X		Family Impact Form Attached

Fiscal Analysis

ASSUMPTIONS:

1. Under current law, the average number belonging (ANB) in K-12 public schools will be as follows:

	<u>FY2001</u>	<u>FY2002</u>	<u>FY2003</u>
K-6 ANB	79,901	78,169	76,405
7-8 ANB	26,113	25,459	25,147
9-12 ANB	<u>51,524</u>	<u>51,046</u>	<u>50,795</u>
Total ANB	157,538	154,673	152,347

2. Under current law, direct state aid will be \$316.325 million in FY2002 and \$312.304 million in FY 2003. Special education payments will be \$33,899,850 in FY 2002 and FY 2003. Guaranteed tax base aid paid to schools will be \$95.820 million in FY2002 and \$94.362 million in FY2003.

(continued)

3. Kindergarten enrollment as of October 2000 was 10,125. These students generate .5 ANB funding. If all of these students generated full ANB funding, the ANB count for elementary would increase by 5,260 $(10,125/2 * 187/180 = 5,260)$ in each year of the 2003 biennium.
4. It is estimated that 25% of kindergarten students currently attend full-time programs. If SB255 is approved, the students in these programs will receive full-time ANB in FY2002 based on the FY 2001 enrollment. The additional ANB for FY2002 is 25% of 5,260 or 1,315 ANB.
5. Not all kindergarten students will be enrolled in full-time kindergarten if SB 255 is approved. Some school districts that currently run a morning and afternoon kindergarten could not easily accommodate full-time kindergarten. Other school districts will not choose to run a full-time kindergarten. Some parents may not choose to enroll their children in kindergarten full-time. For purposes of this fiscal note, it is assumed that 50% of kindergarten students would be enrolled in full-time kindergarten in each year of the 2003 biennium if SB255 were approved. Based on this assumption, elementary ANB will increase by 2,630 in FY2003.
6. If SB255 is approved, direct state aid will be \$318.40 million in FY2002 and \$316.46 million in FY 2003. Special education payments will be \$33,899,850 in FY 2002 and FY 2003. Guaranteed tax base aid paid to schools will be \$96.61 million in FY2002 and \$95.97 million in FY2003.

FISCAL IMPACT:

	<u>FY2002</u> <u>Difference</u>	<u>FY2003</u> <u>Difference</u>
<u>Expenditures:</u>		
Transfers – DSA	2,078,548	4,159,629
Transfers – GTB	<u>819,967</u>	<u>1,653,400</u>
TOTAL	\$2,898,515	\$5,813,029
 <u>Funding:</u>		
General Fund (01)	\$2,898,515	\$5,813,029
 <u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
General Fund (01)	(\$2,898,515)	(\$5,813,029)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Districts that already offer full-time kindergarten without state support may see a reduction in taxes as a result of this measure.

Districts that do not currently offer full-time kindergarten and choose to offer full-time kindergarten as a result of this bill may see additional costs and local taxes to match the additional state support.

LONG TERM IMPACTS

It is likely that more than 50% of kindergarten students will be enrolled in full-time kindergarten in the long-term. The cost of state support for schools will increase as the number of full-time kindergarten students increases.